

**RESOLUTION GRANTING CONDITIONAL THIRD ROUND SUBSTANTIVE
CERTIFICATION #57-18**

Cranbury Township, Middlesex County

WHEREAS, Cranbury Township, Middlesex County, petitioned the Council on Affordable Housing (COAH) on December 31, 2008 for substantive certification of its Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation; and

WHEREAS, Cranbury Township published notice of its petition on January 30, 2009 in *The Star Ledger*, which is a newspaper of general circulation within the county, pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:96-3.5; and

WHEREAS, an objection to the plan from the Fair Share Housing Center (FSHC) was received by COAH on March 16, 2009, during the 45-day objection period; and

WHEREAS, after a review of the Township's Housing Element and Fair Share Plan and FSHC's objection, COAH issued a Pre-Mediation Report on November 18, 2009; and

WHEREAS, mediation between FSHC and the Township commenced on December 7, 2009; and

WHEREAS, mediation concluded on December 7, 2009 with Cranbury agreeing to include FSHC in developing guidelines prior to submitting actual job counts at the initial biennial plan evaluation; and

WHEREAS, the Township also agreed to move up the schedule for the future family rental project, including acquisition of a site in 2010 and construction commencing in 2012; and

WHEREAS, Cranbury's commitments are memorialized in the December 8, 2009 Mediation Report, which is part of the Township's December 18, 2009 Conditional Compliance Report (attached as Exhibit A and incorporated by reference herein); and

WHEREAS, Cranbury Township's fair share plan addresses a total 1987-2018 affordable housing obligation of 492 units, consisting of a six-unit rehabilitation share, a 216-unit prior round obligation and a 269-unit projected growth share obligation pursuant to N.J.A.C. 5:97; and

WHEREAS, COAH staff has reviewed the Township's Housing Element and Fair Share Plan, which is incorporated by reference herein; and

WHEREAS, Cranbury proposes to address its six-unit rehabilitation share through participation in the Middlesex County Department of Housing and Community Development's Rehabilitation Program; and

WHEREAS, the Township will address its 217-unit prior round obligation with a 76-unit Regional Contribution Agreement with Perth Amboy City, a 34-unit Regional Contribution Agreement with Carteret Borough, 26 credits and 26 bonuses from the Cranbury Housing Associates (CHA) family rental development, three credits from the CHA family for-sale development, 20 credits and seven bonuses from the senior rental development and six credits and six bonuses from the SERV Centers of NJ group home; and

WHEREAS, Cranbury will address its projected 269-unit growth share obligation with 27 credits from the CHA family for-sale development, 20 credits and 20 bonuses from the Old Cranbury Road development, five credits from the SERV Centers of NJ group home, 83 units and 47 bonuses between the Route 130 D Site and a future family rental site and 67 units at a future senior rental site; and

WHEREAS, as a condition of substantive certification, within 60 days the Township will provide the exact number of units to be constructed on the Route 130 D Site and the Future Family Rental Site, which total 83 units; and

WHEREAS, as a condition of substantive certification, within 60 days the Township will provide a revised implementation schedule for the future family rental site, which specifies construction will begin by January 2012 and site acquisition will occur by September 2010; and

WHEREAS, Cranbury acquired the Route 130 D site in June 2007 and will transfer the title to the Cranbury Housing Associates, the developer of the site once CHA receives site plan approvals; and

WHEREAS, pursuant to N.J.A.C. 5:97-3.2(a)4, the Township has provided an implementation schedule that demonstrates a realistic opportunity and sets forth a timetable for the submittal of all information pursuant to N.J.A.C. 5:97-6.4 for the future senior rental site; and

WHEREAS, pursuant to N.J.A.C. 5:96-6.2(a)2, on November 18, 2009, COAH issued a Conditional Compliance Report recommending approval of Cranbury Township's petition for third round substantive certification; and

WHEREAS, the 14-day period to submit comments to the COAH Conditional Compliance Report pursuant to N.J.A.C. 5:96-6.2(b) ended on January 1, 2010 and COAH did not receive comments.

NOW THEREFORE BE IT RESOLVED that the Housing Element and Fair Share Plan submitted by Cranbury Township comports to the standards set forth at N.J.S.A. 52:27D-314 and meets the criteria for third round substantive certification pursuant to N.J.A.C. 5:96-6.3 with the conditions noted below; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.2(a), after having reviewed and considered all of the above, COAH hereby grants conditional third round

substantive certification to Cranbury Township; and

BE IT FURTHER RESOLVED that Cranbury must determine the exact number of units to be constructed on the Route 130 D Site and the Future Family Rental Site and must provide an implementation schedule for the future family rental site, which specifies construction will begin by January 2012 and site acquisition will occur by September 2010 and must provide an updated spending plan with specific allocations for each of the proposed municipally sponsored construction projects within 60 days of conditional substantive certification pursuant to the Fair share Housing Act N.J.S.A. 52:27D-314(b); and

BE IT FURTHER RESOLVED that after receiving final substantive certification, pursuant to N.J.A.C. 5:96-6.3(e), Cranbury Township shall adopt all implementing Fair Share Ordinances within 45 days of this grant of substantive certification; and

BE IT FURTHER RESOLVED if Cranbury fails to timely adopt its Fair Share Ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and

BE IT FURTHER RESOLVED that Cranbury shall submit all Fair Share Ordinances to COAH upon adoption; and

BE IT FURTHER RESOLVED that Cranbury shall comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the Township's actual growth pursuant to N.J.A.C. 5:97-2.5; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of Cranbury's Housing Element and Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in Cranbury and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a prorated production shortage of 10 percent or greater, the Township is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97-3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-2.5(e), if the actual growth share obligation determined is less than the projected growth share obligation, Cranbury shall continue to provide a realistic opportunity for affordable housing to address the projected growth share; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(b), Cranbury's substantive certification shall remain in effect until December 31, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this conditional substantive certification is based or any deviations from the terms and conditions of this conditional substantive certification which affect the ability of Cranbury Township to provide for the realistic opportunity of its fair share of low and moderate income housing and which the Township fails to remedy, may render this conditional certification null and void.

I hereby certify that this resolution was
duly adopted by the Council on Affordable
Housing at its public meeting on January 13, 2010

A handwritten signature in cursive script, reading "Reneé Reiss".

Reneé Reiss, Secretary
Council on Affordable Housing



***Council on Affordable Housing
Conditional Compliance Report
December 18, 2009***



Municipality: *Cranbury Township*
County: *Middlesex County*

COAH Region: *3*
Planning Area: *2, 4, 4B*
Special Resource Area: *N/A*

Housing Element and Fair Share Plan Adopted: *December 22, 2008*
Petition for 3rd Round Substantive Certification: *December 31, 2008*
Completeness Determination: *January 23, 2009*
Date of Publication: *January 30, 2009*

Objections Received: *Fair Share Housing Center*
Mediation Held: *December 7, 2009*

Petition Includes:
VLA: *No*
GPA: *No*
Waiver: *No* **Section:** *N/A*

Date of Site Visit: *December 2009*

History of Approvals:

	COAH	JOC	N/A
First Round:	<i>4/24/1989</i>		
Second Round:	<i>12/4/1996</i>		
Extended Certification:	<i>2/9/2005</i>		

Plan Preparer: *Kathleen Grady, Planner, Clarke Caton Hintz*

Municipal Housing Liaison: *Christine Smeltzer, Township Administrator*

Recommendation: *Grant Conditional Substantive Certification*

SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	6
Prior Round Obligation	217
Projected Growth Share Obligation	269

ACTUAL GROWTH and GROWTH SHARE through September, 2008¹

Res Units (#)	Actual Res Growth Share	Jobs (#)	Actual Non-Res Growth Share	Actual TOTAL Growth Share
145	29 units	5,571	348 units	377 units

COMPLIANCE PLAN SUMMARY

Obligation	Credit/ Mechanism Type	# Units Completed	# Units Proposed	TOTAL
Rehabilitation: 6 units				
Program	County		6	6
Rehabilitation Subtotal				6
NEW CONSTRUCTION:				
Prior Round: 217 units				
Credits	Post-1986	55		55
	RCA	110		110
	Compliance	13		13
Prior Round Bonus(es)	Rental	39		39
Prior Round Subtotal				217
Growth Share: 269 units				
Credits	Post-1986	52		52
Proposed Mechanism(s)	100% Affordable		150	150
Growth Share Bonus(es)	Compliance	20		20
	Rental		47	47
Growth Share Subtotal				269
Surplus				0

¹ This growth share number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.4; therefore, the actual growth share may vary. In addition, COAH staff notes that N.J.A.C. 5:97 - Appendix D permits municipalities to count actual jobs for the “S” use group.

I. HOUSING ELEMENT

Pursuant to N.J.S.A. 40:55D-28(b), the Housing Element is a required section of the Municipal Master Plan. The Housing Element must be designed to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics, a quantification of low- and moderate-income housing need, and a consideration of the lands within the municipality that are most appropriate to accommodate such housing. Cranbury's Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to N.J.S.A. 52:27D-310.

Under N.J.A.C. 5:97-2.1(b), the Housing Element must also set forth the municipality's affordable housing fair share obligation, which is the sum of the rehabilitation share, the prior round obligation and the growth share.

A. Rehabilitation Share

The rehabilitation share is the number of existing housing units within a municipality as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of N.J.A.C. 5:97, Cranbury has a rehabilitation share of six units.

B. Prior Round Obligation

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of N.J.A.C. 5:97. Cranbury has a prior round obligation of 217.

C. Projected Growth Share

The projected growth share is initially calculated based on household (residential) and employment (non-residential) 2004-2018 projections. Pursuant to Appendix F of N.J.A.C. 5:97, Cranbury has a residential projection of 224 units and a non-residential

projection of 3,581 jobs, which results in an initial projected growth share obligation of 269 affordable units.

SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	6
Prior Round Obligation	217
Projected Growth Share Obligation	269

II. FAIR SHARE PLAN

A Fair Share Plan, as required under N.J.A.C. 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality's rehabilitation share, prior round obligation, and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

Cranbury's Fair Share Plan, and the supporting documentation incorporated by reference therein, address the requirements of N.J.A.C. 5:97-3.1 as follows:

A. Plan to Address Rehabilitation Share

Rehabilitation Share Credits

Cranbury's Housing Element and Fair Share Plan does not include a request for rehabilitation credit.

Proposed Rehabilitation Program

County Rehabilitation Program

Cranbury will utilize Middlesex County's housing rehabilitation program to address its six-unit rehabilitation obligation. The Middlesex County Department of Housing and Community Development has its own administrative agent and will adhere to the regulations pursuant to N.J.A.C. 5:97-6.2 including the placement of ten-year affordability controls and expending an average of \$10,000 per unit. Community

Development Block Grant (CDBG) funds will be utilized to pay for the costs of rehabilitating the units. According to the spending plan, Cranbury has dedicated \$60,000 (\$10,000 per unit) from its affordable housing trust fund in case there is a shortfall of outside funding sources. Cranbury is currently negotiating with Middlesex County to have the County administer the Township's rental program. The Township will contract with a private consultant to administer a rental rehabilitation program if the County does not ultimately provide the rental program. Cranbury adopted a Resolution of Intent to Bond on December 22, 2008, in the event of a shortfall in funding. The program is projected to begin in 2009 and funding will be available for at least three rehabilitations (half of the total) by 2014, pursuant to N.J.A.C. 5:97-6.2(b)3. **[6 rehabilitated units]**

Proposed Rehabilitation Program	
Rehabilitation Program	# Units
County Rehabilitation Program	6
TOTAL	6

B. Plan to Address Prior Round Obligation

Prior Round Obligation Credits

Cranbury is addressing its 217-unit prior round obligation with 110 credits from two Regional Contribution Agreements and 107 post-1986 credits. The Township received a reduction for 13 units as a result of COAH's substantial compliance rule as part of its second round substantive certification. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

Regional Contribution Agreements

Project/Development Name	Year Built	Type of Affordable Unit	# Units/ Bedrooms
City of Perth Amboy	2005	RCA	76
Borough of Carteret	2005	RCA	34
TOTALS			110

Post-1986 Credits

Project/Development Name	Year Built or Approved	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Cranbury Housing Associates (CHA) – Family Rentals	1997 – 2002	100% Affordable	26	Rental	26	52
CHA – Family For-Sale	1997 – 1998	100% Affordable	3 ²		0	3
CHA – Senior Rentals	1991	100% Affordable	20	Rental	7	27
SERV Centers of NJ	1997	Supportive and Special Needs	6	Rental	6	12
Substantial Compliance	1996		0		13	13
TOTALS			55		52	107

Proposed Affordable Housing Mechanisms

Cranbury is relying solely on credits and therefore is not proposing any additional affordable housing mechanisms to address its prior round obligation.

Prior Round Obligation Parameters

Cranbury has satisfied the applicable Prior Round parameters as follows:

Prior Round Rental Obligation:³ 55 Units

Development/Project Name	Type of Affordable Unit	# Units
CHA – Family Rentals	100% Affordable	26
CHA – Senior Rentals	100% Affordable	20
SERV Centers of NJ	Supportive and Special Needs	6
Borough of Carteret	RCA	15
TOTAL		67

² 27 of the 30 units from the family for-sale project are carried over to address the growth share obligation

³ Rental Obligation: $.25(\text{Prior Round Obligation} - \text{Prior Cycle Credits} - \text{Impact of 20\% cap} - \text{Impact of the 1,000-unit limit}) = .25(217 - 0 - 0 - 0) = 54.25$ or 55 units N.J.A.C. 5:97-3.10(b)1

Prior Round Age-Restricted Maximum⁴ : 28 Units

Development/Project Name	Type of Affordable Unit	# Units
CHA – Senior Rentals	100% Affordable	20
TOTAL		20

Regional Contribution Agreement (RCA) Maximum⁵ : 111 Units

Receiving Municipality	Type of Affordable Unit	# Units
City of Perth Amboy	RCA	76
Borough of Carteret	RCA	34
TOTAL		110

Prior Round Rental Bonus Maximum⁶ : 55 Units

Development/Project Name	Type of Bonus	# Bonuses
CHA – Family Rentals	100% Affordable	26
CHA – Senior Rentals	100% Affordable	7
SERV Centers of NJ	Supportive and Special Needs	6
TOTAL		39

C. Plan to Address Projected Growth Share

Growth Share Obligation Credits

Cranbury is addressing 72 units of the projected growth share obligation with 52 units of credit and 20 compliance bonuses. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

⁴ Age-Restricted Maximum: $.25(\text{Prior Round Obligation} + \text{Rehabilitation Share} - \text{Prior Cycle Credits} - \text{Rehabilitation Credits} - \text{Impact of 20\% cap} - \text{Impact of the 1,000-unit limit} - \text{RCA Units Addressing the Prior Round Obligation}) = .25(217 + 6 - 0 - 0 - 0 - 110) = 28.25$ or 28 units N.J.A.C. 5:97-3.10(c)1

⁵ RCA Maximum: $.5(\text{Prior Round Obligation} + \text{Rehabilitation Share} - \text{Prior Cycle Credits} - \text{Rehabilitation Credits} - \text{Impact of 20\% cap} - \text{Impact of the 1,000-unit limit}) = .5(217 + 6 - 0 - 0 - 0 - 0) = 111.5$ or 111 units N.J.A.C. 5:97-3.10(d)1

⁶ No rental bonuses shall be granted for rental units in excess of the prior round rental obligation, therefore, PR Rental Bonus Maximum = PR Rental Obligation N.J.A.C. 5:97-3.5

Post-1986 Credits

Project/Development Name	Year Built or Approved	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
CHA – Family For-Sale	1997 – 1998	100% Affordable	27			27
Old Cranbury Road	2006	100% Affordable	20	Compliance	20	40
SERV Centers of NJ	2006	Supportive/ Special Needs	5			5
TOTALS			52		20	72

Proposed Affordable Housing Mechanisms

Cranbury proposes to address the remaining 197-unit growth share obligation through the following mechanisms:

Route 130 D Site

Cranbury will utilize a 100% affordable development known as the Route 130 D Site to address between 29 and 48 units of its projected growth share obligation. All units will be family rental units; therefore, the Township is requesting between 15 and 34 rental bonuses. At least half of the units will be available to low-income households and at least four of those units will be available to very low-income households.

The four-acre site (Block 26/Lot 3) is located on the southbound side of U.S. Route 130, north of County Route 535. According to the Fair Share Plan, the property is currently occupied by a dilapidated two-story residence with a storefront. A portion of the rear of the site is a gravel parking lot and an overgrown field to the rear. The project is within Planning Area 2, Middlesex County Utilities Authority's service area and Elizabethtown Water Company's service area. Although the site is zoned HC (Highway Commercial), the surrounding land uses west of U.S. Route 130, are residential. On the eastern side of U.S. Route 130, offices and warehouses are the prevailing land use. Vehicular access to the site is via U.S. Route 130; however, pedestrians will be able to access the development via Ryan Road, which provides a link to the Village core. The

property is free of wetlands and other environmental constraints; therefore, this project meets site suitability criteria pursuant to N.J.A.C. 5:97-3.13.

The Township acquired this site in June 2007 and will transfer the title to the Cranbury Housing Associates (CHA). A Memorandum of Understanding was entered into by the Township and CHA on June 12, 2006, naming CHA as the developer of the site. CHA will administer and affirmatively market the units in accordance with UHAC and COAH regulations. Thirty-year controls will be placed on all units. Construction is anticipated to begin in 2010, after funding has been secured.

CHA has developed a pro-forma for three development scenarios (30, 36 and 48 units) and anticipates applying for funding through various sources, such as HMFA, Low-Income Housing Tax Credits, Balanced Housing Funds and County HOME Funds. Additionally, depending on the final number of units, Cranbury has dedicated \$3,383,314 to \$5,599,998 from its affordable housing trust fund towards this project. On December 22, 2008, the Township adopted a Resolution of Intent to Bond in the event of a shortfall in funding. The exact number of units to be constructed on this site and bonuses requested will not be formally decided by the Township until March 2010. As a condition of substantive certification, Cranbury must provide this information to COAH within 60 days of conditional substantive certification. **[29 to 48 family units and 15 to 34 bonuses]**

Future Family Rental Site

Cranbury proposes to use a site to be identified for 35 to 54 family rental units and 13 to 32 corresponding bonuses to address a portion of its projected growth share obligation. The final number is dependent on how many units are constructed at the Route 130 D Site. At least four units will be made available to very low-income households. According to the Township's original implementation schedule, construction was projected to begin in 2017. Supporting documentation, such as specifics and financial documentation was to be submitted to COAH two years before construction begins, in 2015. However, in order to receive bonuses for this project and to address its actual growth share obligation, COAH staff understands that Cranbury will revise its implementation schedule in order to begin construction by January 2012, or

within two years of substantive certification. The Township has identified potential properties and is actively meeting with property owners in order to negotiate a purchase of a site capable of accommodating the total number of units by September 2010. Cranbury must provide a revised implementation schedule within 60 days of conditional substantive certification.

The exact number of units at this site will not be decided until after the number of units at the Route 130 D Site is determined. Depending on the final number of units, Cranbury has dedicated \$4,083,310 to \$6,299,964 from its affordable housing trust fund towards this project. However, since costs of this project will likely exceed revenues available from its affordable housing trust fund, the Township will need to rely on additional funding sources. On December 22, 2008, Cranbury adopted a Resolution of Intent to Bond in the event of a shortfall in funding. The number of units and bonuses to be provided at this site must be submitted to COAH, within 60 days of conditional substantive certification. **[35 to 54 family units and 13 to 32 bonuses]**

Future Senior Rental Site

Cranbury will rely on a site to be identified to accommodate 67 age-restricted units to address the remaining projected growth share obligation. At least six units will be made available to very low-income households. According to the Township's implementation schedule, construction is projected to begin in 2014. Supporting documentation, such as specifics and financial documentation will be submitted to COAH two years before construction begins, in 2012. Cranbury has dedicated \$7,816,622 from its affordable housing trust fund towards this project. However, since costs of this project will likely exceed revenues available from its affordable housing trust fund, the Township will need to rely on other funding sources. On December 22, 2008, Cranbury adopted a Resolution of Intent to Bond in the event of a shortfall in funding. **[67 age-restricted units]**

Proposed Growth Share Affordable Housing Mechanisms

Type/Name of Affordable Housing Mechanism	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Route 130 D Site	100% Affordable	29 – 48	Rental	15 – 34	44 – 82
Future Family Rental Site	100% Affordable	35 – 54	Rental	13 – 32	48 – 86
Future Senior Rental Site	100% Affordable	67			67
TOTALS		150		47	197

Growth Share Parameters

Cranbury has satisfied the applicable Growth Share parameters as follows:

Growth Share Rental Obligation:⁷ 68 Units

Development/Project Name	Type of Affordable Unit	# Units
Old Cranbury Road	100% Affordable	20
Route 130 D Site	100% Affordable	29 – 48
Future Family Rental Site	100% Affordable	35 – 54
Future Senior Rental Site	100% Affordable	67
SERV Centers of NJ	Supportive and Special Needs	5
TOTAL		175

Growth Share Family Rental Requirement⁸ : 34 Units

Development/Project Name	Type of Affordable Unit	# Units
Old Cranbury Road	100% Affordable	20
Route 130 D Site*	100% Affordable	29 – 48
Future Family Rental Site*	100% Affordable	35 – 54
TOTAL		103

*In accordance with N.J.A.C. 5:97-3.6(a)4, 34 of the total 83 units are addressing the minimum family rental requirement and are therefore not eligible to receive rental bonuses.

⁷ Projected Growth Share Rental Obligation: .25(Projected Growth Share) or .25(269) = 67.25 or 68 units
N.J.A.C. 5:97-3.10(b)3

⁸ Projected Growth Share Family Rental Requirement: .5(Projected Growth Share Rental Requirement) or .5(68) = 34 units N.J.A.C. 5:97-3.4(b)

Growth Share Minimum Family Requirement⁹ : 101 Units

Development/Project Name	Type of Affordable Unit	# Units
Old Cranbury Road	100% Affordable	20
Route 130 D Site	100% Affordable	29 – 48
Future Family Rental Site	100% Affordable	35 – 54
TOTAL		103

Very Low Income Minimum Requirement¹⁰ : 23 Units

Development/Project Name	Type of Affordable Unit	# Units
Old Cranbury Road	100% Affordable	4
Route 130 D Site	100% Affordable	4
Future Family Rental Site	100% Affordable	4
Future Senior Rental Site	100% Affordable	6
SERV CENTERS OF NJ	Supportive and Special Needs	5
TOTAL		23

Age-Restricted Maximum¹¹ : 67 Units

Development/Project Name	Type of Affordable Unit	# Units
Future Senior Rental Site	100% Affordable	67
TOTAL		67

Bonus Maximum¹²: 67 Bonuses

Development/Project Name	Type of Bonus	# Bonuses
Old Cranbury Road	Compliance	20
Route 130 D Site	Rental	15 – 34
Future Family Rental Site	Rental	13 – 32
TOTAL		67

⁹ Projected Growth Share Family Requirement: .5(Units Addressing the Growth Share Obligation) or .5(202) = 101 units N.J.A.C. 5:97-3.9

¹⁰ Growth Share Very Low Income Requirement: .13(Future Units Addressing the Growth Share Obligation) or .13(175) = 22.75 or 23 units pursuant to P.L.2008, c.46

¹¹ Projected Growth Share Age Restricted Maximum: .25(Projected Growth Share) or .25(269) = 67.25 or 67 units N.J.A.C. 5:97-3.10(c)2

¹² Projected Bonus Maximum: .25(Projected Growth Share) or .25(269) = 67.25 or 67 units N.J.A.C. 5:97-3.20

Actual Growth Share Obligation

The actual growth share obligation will be based on permanent certificates of occupancy issued within the municipality for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of N.J.A.C. 5:97. At plan evaluation review pursuant to N.J.A.C. 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs (NJ DCA) *Construction Reporter* indicates that between January 1, 2004 and September 2008, Cranbury issued certificates of occupancy for 145 housing units and for the non-residential square footage equivalent of 5,571 jobs, yielding an actual growth share obligation through September 30, 2008, of 377 affordable units.¹³

D. Summary of Plan to Address Fair Share Obligation

REHABILITATION SHARE SUMMARY

Rehabilitation Share: 6 Units

Program Name	# Units
County Rehabilitation Program	6
TOTAL	6

¹³ The number of residential COs (145) is initially divided by 5 to yield 29 units and the number of jobs (5,571) is initially divided by 16 to yield 348 units. Cranbury's total actual growth share is therefore 377 units (29 + 348). **Note:** This number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.4; therefore, the actual growth share may vary. In addition, COAH staff notes that N.J.A.C. 5:97 - Appendix D permits municipalities to count actual jobs for the "S" use group.

PRIOR ROUND SUMMARY
Prior Round Obligation: 217 Units

	Name of Mechanism	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Post-1986 Credits	Perth Amboy City RCA	76			76
	Borough of Carteret RCA	34			34
	CHA – Family Rentals	26	Rental	26	52
	CHA – Family For-Sale	3		0	3
	CHA – Senior Rentals	20	Rental	7	27
	SERV Centers of NJ	6	Rental	6	12
	Substantial Compliance	13		0	13
Subtotal		178		39	217
TOTAL					217
Surplus					0

GROWTH SHARE SUMMARY
Projected Growth Share Obligation: 269 Units

	Name of Mechanism	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Post-1986 Credits	CHA – Family For-Sale	27			27
	Old Cranbury Road	20	Compliance	20	40
	SERV Centers of NJ	5			5
Subtotal		52		20	72
Proposed Mechanisms	Route 130 D Site	29 – 48	Rental	15 – 34	44 – 82
	Future Family Rental Site	35 – 54	Rental	13 – 32	48 – 86
	Future Senior Rental Site	67			67
Subtotal		150		47	197
TOTAL					269
Surplus					0

III. SUMMARY OF MEDIATION

A. Objection

COAH received one objection to Cranbury's Third Round Housing Element and Fair Share Plan, from Adam M. Gordon Esq. representing the Fair Share Housing Center (FSHC). The objection was summarized in COAH's November 18, 2009 Pre-Mediation Report.

B. Mediation

Mediation commenced on December 7, 2009 and concluded the same day. The results of the mediation are included in a Mediation Report dated December 7, 2009, which is attached as Attachment 1.

III. FAIR SHARE DOCUMENT REVIEW

A. Development Fee Ordinance

COAH granted Cranbury approval of its development fee ordinance on October 5, 1994, which was adopted by the Township on October 26, 1992. Cranbury submitted a draft amended development fee ordinance for COAH's review and approval with its third round petition. The amended development fee ordinance was approved by COAH on August 12, 2009.

B. Third Round Spending Plan

Cranbury's prior round spending plan was approved by COAH on November 27, 1996. A revised third round spending plan was submitted by Cranbury with the Township's third round petition for COAH's review and approval. The spending plan will be reviewed by COAH in a separate report. As a condition of substantive certification, Cranbury must allocate specific dollar amounts (not a range) in its spending plan to each of its proposed municipally sponsored construction projects within 60 days of conditional substantive certification.

C. Affordable Housing Ordinance/Affordable Housing Administration

Cranbury has an adopted affordable housing ordinance for its prior round obligation. Cranbury has submitted a revised draft affordable housing ordinance that comports with the requirements of the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 *et seq.*, which was amended on December 20, 2004. The draft proposed ordinance has also been amended to comply with the barrier free subcode of the State Uniform Construction Code Act (N.J.S.A. 52:27D-119 *et seq.*) and the accessibility requirements of N.J.S.A. 52:27D-123.15. The draft ordinance must be adopted within 45 days of COAH's grant of substantive certification and submitted to COAH immediately upon adoption.

An ordinance establishing the position of a municipal housing liaison and a resolution appointing a municipal housing liaison were adopted by the Township on March 23, 2009.

Cranbury is responsible for the continued re-sale and re-rental of existing affordable units and the initial sale and rental of newly constructed affordable units within the Township and must identify an experienced administrative entity for that purpose by contract, agreement or letter. Cranbury has contracted with Cranbury Housing Authority (CHA) as its administrative entity for all affordable units except the supportive and special needs housing, which is administered by SERV. Pursuant to N.J.A.C. 5:80-26.14(b), Cranbury submitted an operating manual, written by CHA, for administering affordable units within the Township on September 19, 2006.

D. Affirmative Marketing Plan

Cranbury has prepared an affirmative marketing plan that comports with the requirements of the UHAC and ensures the units in the Township's 1987-2018 Fair Share Plan and all future affordable housing units will be affirmatively marketed to the region upon initial sale/rental and re-sale/re-rental. Once approved by COAH, the affirmative marketing plan must be adopted by resolution by the Township within 45 days of COAH's grant of substantive certification and submitted to COAH.

IV. MONITORING

Cranbury must comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the municipality's actual growth pursuant to N.J.A.C. 5:97-2.5. As indicated above, credits for built units will be validated and verified by COAH staff during monitoring prior to the first biennial plan evaluation. It should be noted that credits for affordable housing programs and/or affordable units must be in compliance with N.J.A.C. 5:97-4. If the units are determined not to be eligible for credit, COAH will notify Cranbury in writing and the Township may be directed to amend its certified plan to address the shortfall.

Pursuant to N.J.A.C. 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of Cranbury's Housing Element and Fair Share Plan. The purpose of the plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in Cranbury and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a prorated production shortage of 10 percent or greater, Cranbury is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97-3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall.

COAH staff notes that Cranbury's actual growth share obligation to-date of 377 units exceeds the Township's projected growth share obligation of 269 units. This measure of actual growth does not include any reductions that may be available to Cranbury through exclusions pursuant to N.J.A.C. 5:97-2.4(a)1. Cranbury's Fair Share Plan provides for 269 affordable units to meet its projected growth share obligation of 269 units. Pursuant to N.J.A.C. 5:97-2.5, Cranbury is required to provide affordable housing in direct proportion to the growth share obligation generated by the actual growth, which shall be monitored at its biennial review. At that time, Cranbury shall

demonstrate that it has provided sufficient affordable units to keep pace with its actual growth.

Cranbury Township has submitted evidence, which indicates that the Township's non-residential actual growth is largely due to the increased number of jobs in the "Storage" use group (i.e., warehousing). Cranbury contends that using a multiplier of 0.26 jobs per 1,000 square feet of floor space, which is based on a study prepared by Clarke Caton Hintz, is a better reflection of the number of new jobs generated for this particular use group as compared to COAH's multiplier of 1 job per 1,000 square feet. If the 0.26 multiplier is applied to the "Storage" use group, the Township's actual growth would be reduced from 377 units to 218 units. The Township plans to utilize the methodology contained in the Clarke Caton Hintz report and provide additional information, which may further reduce its actual growth, at the time of the first biennial plan evaluation.

V. RECOMMENDATION

COAH staff recommends that Cranbury be granted conditional third round substantive certification with the following conditions to be met within 60 days, or no later than March 15, 2010:

- i. The Township must determine the exact number of units to be constructed on the Route 130 D Site and the Future Family Rental Site. The sum total of the two projects must equal at least 83 units.
- ii. The Township must provide an implementation schedule for the future family rental site, which specifies construction will begin by January 2012 and site acquisition will occur by September 2010.
- iii. The Township must provide an updated spending plan with specific allocations for each of the proposed municipally sponsored construction projects.

Once these items are submitted to COAH, the Township will be granted final third round substantive certification. Cranbury must adopt all necessary implementing ordinances within 45 days of the grant of final substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption.

MEDIATION REPORT
Cranbury Township/Middlesex County

By Matthew H. Rudd
COAH Mediator
December 8, 2009

Mediation was held on December 7, 2009 at the DCA building. In attendance on behalf of Cranbury Township were Mary Beth Lonegan PP/AICP, of Clarke Caton Hintz, Trishka Waterbury Esq., representing the Township, Mayor Pari Stave, Richard Stannard, Township Councilman and Planning Board Member and Christine Smeltzer, Township Administrator.

Representatives for Fair Share Housing Center included Adam M. Gordon Esq., FSHC, Carmen Martino, Rutgers University, Occupational Training and Education Consortium, Louis Kimmel, Director New Labor and staff members Miguel Reyes and Cleotilde Salazar.

COAH staff met with Cranbury representatives and discussed the Old Cranbury Road project, which has been completed. The Route 130 D site will be completed within the next 24 months. The future family rental site project will be identified in 2010 and is anticipated to be under construction starting in 2012. The proposed future senior rental site project was discussed. To date, no site has been designated for this project and construction is anticipated in 2014.

COAH staff also discussed with the Township representatives the 2008 Clarke Caton Hintz report on warehouse space job generation in the region. The Township agreed to conduct a survey to determine actual warehouse job generation as part of the biennial review. This survey would reveal the actual need for affordable housing created by the future senior rental site project and whether that project needs to create more or less affordable housing.

At mediation, FSHC raised two specific issues: when the Township should determine a site and construct the future senior rental project and how a survey should be conducted to determine job generation from the warehouse space as part of the biennial monitoring process.

FSHC and the Township representatives agreed that Cranbury will analyze its actual job growth by the first biennial monitoring and will incorporate FSHC's suggestions set forth at mediation, such as considering full-time temporary employees that work at the warehouses, into its survey. Further, as noted in the report above, COAH will review the 2008 warehouse report during the monitoring and at that time it will be able to more accurately determine the actual job growth associated with warehouses. Cranbury representatives likewise agreed that FSHC will have some input on the types of questions to be asked in the future warehouse job generation survey.

As a result, mediation concluded with Cranbury agreeing to include FSHC's suggestions in its survey and Cranbury also agreeing to move up the schedule for the future family rental project, including identification of the site in 2010 and commencement of construction in 2012. Cranbury did not agree to FSHC's request to expedite the senior project, scheduled to commence construction in 2014, as Cranbury Housing Associates will be the developer for all three municipal construction projects and the Township states it would not be realistic from a financing or development perspective to commence construction on two of the three projects at once. Although FSHC believes that further mediation is not necessary, it has not withdrawn its objection. COAH staff closed mediation on December 7, 2009.

No contested issues of material fact remain that necessitate this matter be transferred to the Office of Administrative Law. COAH staff recommends that the Council accept the mediation report.